

VZCZCXRO7265

PP RUEHAG RUEHAST RUEHBI RUEHCI RUEHDF RUEHIK RUEHLH RUEHLD RUEHLZ

RUEHPW RUEHROV RUEHVK RUEHYG

DE RUEHAA #0890 1971155

ZNR UUUUU ZZH

P 151155Z JUL 08

FM AMEMBASSY ASHGABAT

TO RUEHC/SECSTATE WASHDC PRIORITY 1158

INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE

RUCNCIS/CIS COLLECTIVE

RUCNMEM/EU MEMBER STATES COLLECTIVE

RUEHAK/AMEMBASSY ANKARA 4022

RUEHBJ/AMEMBASSY BEIJING 1839

RUEHKO/AMEMBASSY TOKYO 1706

RUEHIT/AMCONSUL ISTANBUL 2275

RHMFIUU/CDR USCENTCOM MACDILL AFB FL

RUEAIIA/CIA WASHDC

RHEFDIA/DIA WASHDC

RUEKJCS/Joint STAFF WASHDC

RHEHNSC/NSC WASHDC

RUEKJCS/SECDEF WASHDC

RUEHVEN/USMISSION USOSCE 2690

UNCLAS ASHGABAT 000890

SENSITIVE

SIPDIS

STATE FOR SCA/CEN, EEB

E.O. 12958: N/A

TAGS: PREL ECON PHUM TX

SUBJECT: TURKMENISTAN: EBRD LIKELY TO EMPHASIZE INVESTMENT
IN CENTRAL ASIA

REF: ASHGABAT 0853

¶1. (U) Sensitive but unclassified. Not for public Internet.

¶2. (SBU) European Bank for Reconstruction and Development (EBRD) Country Representative Neil McKain told emboffs that he expected new EBRD Head Thomas Mirow to emphasize investment in Central Asia as well as the Caucasus, Turkey, and Russia's regions. At the same time, the Bank will likely depart from the Baltic nations and some other Central European countries, which clearly no longer need development investment. McKain believed Mirow will take a more flexible view toward Article one of the mandate with respect to Central Asian countries, making it easier to invest in projects in the region.

¶3. (SBU) McKain said EBRD is investing in a bank in partnership with the revamped Union of Entrepreneurs (reftel). The group is supposed to come up with \$5 million, but so far has only come up with \$1 million. He thought they would be able to raise the rest so that the project can proceed.

¶4. (SBU) COMMENT: EBRD's officials, including both the current and recently departed country representatives, have been frustrated by the prospects of losing potential impact on the Government of Turkmenistan's reform efforts because of the bank's strict application of Article one. EBRD sees a potential to help shape the direction of reforms if it becomes involved now. Given the vast need for donor assistance here, post, too, sees greater EBRD involvement here as a positive development.

CURRAN